

Meet Sandy Matheson, new director of DRS



Sandy Matheson

DRS is pleased to introduce our new Director, Sandy Matheson. Appointed by Governor Gregoire in April, Sandy brings over 25 years of management, health care and financial experience to the position.

Prior to joining DRS, Sandy served as President and CEO of Hanford Environmental Health Foundation and as board chair for the Tri-City Industrial Development Council and Kennewick General Hospital. She has provided

management consulting services, served as interim CEO for organizations during change, taught business classes for Washington State University, and worked as a certified public accountant. She has served on many not-for-profit and for-profit boards of directors, and currently is a member of the state Supreme Court's Gender and Justice Commission.

"I am pleased to join an agency with such a long history of excellent customer service," says Sandy. "In the coming months, we will be focusing on additional ways to serve our members and retirees while maintaining our outstanding level of service and integrity."

Sandy graduated with a Bachelor of Arts in economics from Northwestern University, completed post-graduate accounting work at Gonzaga University and received her Masters in Business Administration from Washington State University.

Originally from Denver, Sandy relocated to Olympia after living in Kennewick for the past 28 years. She and her husband, a Superior Court judge, have two grown children – a son and daughter – and a five-year-old Pug, Lucy. ■

Outlook distribution method to change — *It's e-efficient*

Beginning with the October edition, *Retirement Outlook* will be distributed electronically through your employer.

Not only will this change allow important plan information to reach you more quickly, it will also save on the cost of printing and mailing more than 300,000 paper copies of each edition of the newsletter.

Employers will, however, be sent paper copies for those employees without electronic access.

Both current and past editions of *Retirement Outlook* will continue to be available on our Web site (www.drs.wa.gov). ■

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Retirement Outlook is available to members in alternate formats. For more information contact the editor at (360) 664-7097.

2005 legislative update

The 2005 session wrapped up on April 24. The following summarizes significant pension bills passed by legislators and signed into law by Governor Gregoire.



All Retirement Systems

- House Bill 1307 expands the definition of a veteran to include Merchant Marines during periods of the Korean and Vietnam Wars.
- House Bill 1325 allows credit for military service that interrupted employment if the member is disabled while on active duty and cannot return to employment, or killed while on active duty.
- Substitute Senate Bill 5112 provides public employment retirement credit and education fee waivers for veterans of the Afghanistan conflict and the Persian Gulf War II.
- Substitute Senate Bill 5497 allows members of PERS, TRS and SERS Plans 2 or 3 to opt out of their plan membership (discontinue making contributions) if deemed to be terminally ill, with less than five years to live.

Law Enforcement Officers' and Fire Fighters' Retirement System

- House Bill 1269 allows LEOFF Plan 2 members to purchase up to five years of additional unearned service credit at the time they apply for retirement. The additional service credit can only be used to increase the pension benefit, not to qualify the member for retirement, and the member pays the value of the increase at the time of purchase.
- House Bill 1270 gives LEOFF Plan 2 retirees who return to work in other retirement systems the choice between suspending their pension benefits and opting into the new position's retirement system or not opting in and continuing to receive benefits without interruption.
- Under House Bill 1329, LEOFF Plan 1 retirees are now able to designate a spouse from a post-retirement marriage as a beneficiary, even if an ex-spouse is receiving a portion of the retiree's benefit as part of a divorce settlement.

2005 legislative update continued on next page

- Under Substitute Senate Bill 5615, LEOFF Plan 2 members who become disabled in the line of duty and are unable to continue in careers as law enforcement officers or fire fighters will no longer have their pensions reduced for “early retirement” if they are younger than age 53. Members will instead receive the full pension benefits they earned before becoming disabled.

Teachers’ Retirement System

- House Bill 1321 allows part-time certified Educational Staff Associates in TRS Plan 1 to annualize their salaries in the calculation of retirement benefits, just as teachers and school counselors are now allowed to do.
- Under House Bill 1327, TRS Plan 2 and 3 members may now purchase up to five years of additional service credit at the time of early retirement. The additional service credit can only be used to increase the pension benefit, not to qualify the member for retirement, and the member pays the value of the increase at the time of purchase.

Public Employees’ Retirement System

- Under Substitute House Bill 1936, Emergency Medical Technicians (EMTs) who are currently PERS members may opt into the LEOFF Plan 2 retirement system. Eligible EMTs must be employed in a city, town, county or district. Members of Plan 1 or Plan 2 are also eligible to transfer previous PERS service credit (earned as an EMT) to LEOFF Plan 2 when they opt into that plan.
- Substitute House Bill 1938 allows PERS Plan 1 members to receive credit for military service while actively serving in the military, if such credit makes them eligible to retire.
- Under Senate Bill 5522, PERS members are allowed to purchase up to two years of service credit lost because of an on-the-job injury that occurred either before or after the implementation date of this bill. Prior to this, members were only allowed to purchase up to 12 months. ■



Back issues available online

You can find an archive of previous *Retirement Outlook* issues on the DRS Web site at: www.drs.wa.gov. ■

Keep us in the loop



From the time you join a retirement system to the time you begin collecting retirement benefits, some of the initial information you provide can, and probably will, change. Please keep DRS informed when you make any changes to the following:

Beneficiary designation

Your beneficiary designation is one of the most important pieces of information associated with your retirement account. Be sure to keep it up-to-date. If you marry or divorce, you should complete and submit a new form, even if your beneficiary remains the same.

To complete a new Beneficiary Designation form, please visit our Web site at: www.drs.wa.gov.

Address

If you move or change your mailing address, please be sure to have your employer update this information on your retirement account.

We require employers to submit any address changes for active members. This ensures that both DRS and your employer have updated information and that you receive correspondence quickly and securely. ■

Plan ahead for your retirement

DRS offers *free* seminars and workshops to help you plan ahead for your life after retirement. A seminar is a day-long session that covers a broad range of topics related to retirement. A workshop covers information specific to your state retirement plan. Your spouse or partner is welcome to attend.

- **Seminars** run from 8:00 a.m. to 5:00 p.m. and include presentations by experts in financial planning, estate planning, health insurance and Social Security. A seminar also includes a workshop on your state retirement plan and a presentation on the state's Deferred Compensation Program.
- **Workshops** help explain your DRS-administered state retirement plan. They run 60 to 90 minutes and cover service credits, retirement eligibility, benefit calculations, payment options and other plan-specific information.

Seminar time - 8:00 a.m. to 5:00 p.m. Workshop times - shown below			
	Plan 1	Plan 2	Plan 3
PERS	1:00 p.m. – 2:30 p.m.	11:15 a.m. – 12:45 p.m.	11:15 a.m. – 12:45 p.m.
SERS	---	11:15 a.m. – 12:45 p.m.	11:15 a.m. – 12:45 p.m.
TRS	1:00 p.m. – 2:30 p.m.	11:15 a.m. – 12:45 p.m.	11:15 a.m. – 12:45 p.m.
LEOFF	11:15 a.m. – 12:25 p.m.	12:30 p.m. – 1:30 p.m.	---
WSPRS	1:35 p.m. – 2:35 p.m.	---	---

How to register: First decide if you'll attend a seminar or a workshop, then follow the instructions below to register. You will receive a confirmation letter ten days before the event with a map and directions to the location.

- **Online:** Via the Internet at: www.drs.wa.gov and click the *Seminar Registration* "Quick Click" on the right hand side. Follow the instructions on the screen to register.
- **By telephone:** Call 1-888-711-6676 or (360) 664-7300 in the Olympia area. Hearing impaired members may call the TDD line toll-free at 1-866-377-8895 or (360) 586-5450 in the Olympia area.
- **By e-mail, U.S. mail or campus mail:** Send your registration by e-mail to register@drs.wa.gov or by U.S. mail to PO Box 48380, Olympia, WA 98504-8380 or by campus mail to Mailstop 48380. If your spouse or partner will attend with you, include that person's name.

DRS is planning seminars in the following cities in 2006: Aberdeen, Bellingham, Edmonds, Ellensburg, Everett, Kelso, Mount Vernon, Renton, Richland, Seattle, Spokane, Tacoma, Tumwater, Vancouver, Walla Walla, Wenatchee and Yakima. Look for the January – April 2006 schedule in the October 2005 *Retirement Outlook*. ■

Seminar and Workshop Locations & Dates September – December 2005

Vancouver	Sat., Sept. 17
Spokane*	Sat., Sept. 24
Everett	Sat., Oct. 15
Richland	Sat., Oct. 29
Renton	Sat., Nov. 5
Bellingham*	Sat., Nov. 19
Tacoma	Sat., Dec. 3
Tumwater*	Sat., Dec. 10

NOTE: All locations include workshops for PERS, SERS and TRS members.

LEOFF and WSPRS workshops are offered only at the locations shown with an asterisk (*).

Comments from recent seminar participants

"Thank you for doing this. It has given me the motivation to plan more carefully for retirement."

"Made me really think about what I need to do to prepare for retirement."

"A good seminar – would be extremely valuable to an employee early in their career or someone totally unaware of what to be prepared for as retirement approaches."

DRS customer service survey highlights

Since 1997, DRS has sent active members, retirees and Deferred Compensation Program participants a survey to measure their satisfaction and solicit suggestions for improvements. We also gather suggestions from customers who visit the agency in person and from those served by mail.

In 2005 we surveyed 14,531 customers. Their feedback praised our:

- Customer service focus
- Staff courtesy
- Quality of service

On a scale of one to five, with five being the highest:

- Active members rated their overall satisfaction with DRS services at 4.49 (our goal is 4.5)
- 91.3% of active members rated their satisfaction with DRS services at 4.0 or above (our goal is 89%)

- Customers visiting DRS in person rated their overall satisfaction at 4.90
- DRS customers served by mail correspondence rated their overall satisfaction at 4.63

Active members rated the “courtesy of staff” highest, with an average of 4.65, while “clarity of information” scored the lowest, at 4.31.

We will use your feedback as we further enhance our service, including:

- Online access to member accounts
- An online benefit estimator based on actual data (Summer 2005)
- An improved benefit estimate packet

We value your opinion and strive to meet your needs, so please continue sharing your ideas – we’re listening! ■

Lower your taxes, while saving for retirement



Interested in lowering your taxes while you build savings that will supplement your retirement benefits? Consider joining the thousands of public employees who have enrolled in the state’s Deferred Compensation Program (DCP).

If you are in the 15% tax bracket, for every \$100 you earn, you take home \$85 and pay \$15 in taxes. If you defer \$100 of your pre-tax earnings into a DCP account, however, the entire amount goes toward your retirement savings. And you’ve just saved \$15 in taxes.

Also, you may be eligible for a credit on your federal taxes equal to a percentage (up to 50 percent) of the first \$2000 you invest in DCP. To determine if you are eligible for a tax credit, consult your financial advisor.

All state employees and officials are eligible to join DCP. Employees of political subdivisions such as school districts, cities and counties are eligible to participate if their employers have chosen to include DCP as an employee benefit.

To find out more, call (360) 664-7111 or (800) 423-1524 and select option 2. ■



**This newsletter is delivered in bulk to employers.
Changes to affixed mailing labels should be directed to your employer.**

School substitutes may purchase service credit



If you are a classified substitute and a member of the School Employees' Retirement System (SERS), you may qualify to purchase service credit for the 2004 – 2005 school year (September 1, 2004 – August 31, 2005).

If you are not a SERS member, you must first establish membership for the school year by:

- Working as a classified substitute for 70 or more hours in at least five months during a school year; and
- Completing the Classified Substitute's Application for Service Credit form (available on the DRS Web site) and purchasing service credit for that year.

After September 1 of each year, you can apply for service credit by submitting the following to DRS:

- A completed Classified Substitute's Application for Service Credit (available on the DRS Web site), and
- A copy of a quarterly report if you are purchasing service credit for a period of time prior to the 2004-05 school year.

Upon receipt of your application materials, DRS will determine the amount of service credit you are eligible to purchase and will send you a bill.

If you choose to purchase the service credit, DRS will apply the service credit to your account after you make payment and will bill your employer for the employer contributions due.

Payment must be made in full in a lump sum payment. For more information, please contact DRS at (360) 664-7000, toll-free at 1-800-547-6657 or visit our Web site at: www.drs.wa.gov.

Certified substitute teachers continue to have the option to purchase service credit, as they have for several years. Forms are also available on the DRS Web site. ■

Contacting DRS

To help us route your questions and speed up our response time, please provide the following information when contacting us:

- Your full name
- Your retirement system and plan (PERS, SERS, TRS, LEOFF, WSPRS, JRS)
- The last four digits of your Social Security number
- Your complete e-mail address (when contacting DRS by e-mail) ■